

PUBLIC DISCLOSURE

January 26, 2004

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

DEAN COOPERATIVE BANK

21 MAIN STREET
FRANKLIN, MA 02038

DIVISION OF BANKS
1 SOUTH STATION
BOSTON, MA 02110

<p>NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.</p>
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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires the Massachusetts Division of Banks (Division) to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting its needs of its entire assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of the Dean Cooperative Bank prepared by the Division, the institution's supervisory agency.

INSTITUTION'S CRA RATING: This institution is rated “Outstanding”

Dean Cooperative Bank has demonstrated a very good loan to deposit ratio over the last eight quarters for an institution of its size and resources. The bank's net loan to deposit ratio averaged 83.0 percent over the last eight quarters. It has maintained this ratio since the last examination. The loan to deposit ratio reached a high of 90.8 percent on December 31, 2003. In addition, the bank has outperformed its peers during the same quarter. Based on the above performance, this criterion exceeds the standards for satisfactory performance.

Based on the 2002 and 2003 Home Mortgage Disclosure Act (HMDA) data, approximately 65.3 percent of the number and 63.9 percent of the dollar volume of the bank's loans were inside the assessment area. In addition, the bank has significant loan volume for an institution of its size, which is very good considering the strong level of competition in the assessment area. According to recent figures in the Bankers and Tradesman publication, the bank is ranked fifth or higher for dollar volume of mortgages in the communities it serves. Based on this analysis, the bank's lending inside the assessment area is considered to exceed the standards for satisfactory performance.

The distribution of loans to borrowers of different income levels represents a very good penetration among the various income levels in the assessment area. An analysis of mortgage originations indicated that 9.4 and 21.0 percent of the total number of originations were to low and moderate-income borrowers, respectively.

The bank achieved a reasonable dispersion of lending among the various census tracts and is proportionate to the demographics of the assessment area.

The bank's fair lending performance was found to be very good and with no CRA related complaints were received since the previous examination.

PERFORMANCE CONTEXT

Description of Institution

Dean Cooperative Bank is a state chartered financial institution incorporated under the laws of the Commonwealth of Massachusetts in 1889 with the purpose of serving the savings and credit needs of working individuals and businesses located throughout Franklin and surrounding towns. As of December 31, 2003, the bank had total assets of \$169,842,000 of which 75.7 percent are in the form of loans. The institution's primary lending focus is residential 1-4 family real estate, which comprises 63.2 percent of the loan portfolio.

Refer to the following table for additional information on the breakdown of loans.

Loan Portfolio Composition

Loan Type	Amount (000s)	Percent
One to Four-Family Residential Mortgages	\$81,449	63.2
Commercial Real Estate	\$14,416	11.2
Construction and Land Development	\$10,103	7.8
Equity Lines of Credit	\$9,214	7.2
Commercial and Industrial	\$8,043	6.2
Multifamily (5 or more)	\$3,051	2.4
Consumer Loans	\$2,533	2.0
Total Gross Loans	\$128,809	100.0

Source: December 31, 2003 Consolidated Report of Condition.

The bank does sell loans on the secondary market. In 2002, the bank sold 236 loans totaling \$38,000,000. In 2003, the bank sold 333 loans totaling \$56,000,000

Dean Cooperative Bank operates three full service offices including its main office located at 21 Main Street in Franklin. The bank's other two offices are located at 411 Pulaski Boulevard in South Bellingham and at 8 Main Street in Blackstone. In addition to the full service offices, the bank has a branch office that is open during the school year at the Tri-County Vocational High School in Franklin.

Branch hours are considered convenient to other local institutions and services of the bank appear sufficient to meet the needs of the assessment area. The office hours at the main office are Monday through Thursday from 9:00 am to 4:00 p.m., Friday from 9:00 am to 6:00 p.m., and Saturday from 9:00 am to 12:00 p.m. The bank's branch hours vary, but all have extended hours during the week as well as on Saturdays. All of the offices offer a drive-up window and offer extended hours beyond the normal branch hours. In addition, the bank operates drive-up or walk-up ATMs at all of its branch locations. Since the last examination, no branch offices have been closed.

Dean Cooperative Bank also offers internet banking located at www.deanbank.com. This feature gives customers the ability to manage their finances from a home or office computer, free of charge. Customers can review checking, savings, and CD accounts,

check account balances, make loan payments, transfer funds between accounts, and view account histories. Customers can also sign up for the bill pay feature, which enables customers to pay their bills online. This feature is free for all Dean Cooperative Bank customers for six months before a \$4.95 monthly fee is charged.

The bank operates a toll-free, 24-hour telephone service called PhoneLink. This feature enables customers to obtain current account balances, verify the dates and amounts of recent transactions, learn if a personal check has been paid, transfer funds between accounts, make payments on consumer or mortgage loans, and obtain information about deposit account and loan rates.

Dean Cooperative Bank has strong competition from several financial institutions within its assessment area. These financial institutions include but are not limited to the following: Ben Franklin Savings Bank; Milford Federal Savings and Loan; Strata Bank; as well as representatives of regional and national banking and mortgage companies. The market influence from these institutions appears to be significant, and as a result, serves to keep the bank's rates and services offered competitive.

Market share information obtained from PCI Services, Inc. CRA WIZ, based on 2002 aggregate performance data indicates 303 mortgage companies, savings banks, commercial banks, cooperative banks, and credit unions have either originated or purchased residential mortgage loans within the bank's assessment area. The top lender in the assessment area for 2002 was Countywide Home Loans with a 6.71 percent market share. Dean Cooperative Bank ranked sixth with a 3.72 percent market share.

The bank's most recent CRA evaluation, performed by the Federal Deposit Insurance Corporation (FDIC) as of November 8, 1999 assigned a rating of "Outstanding". The previous evaluation performed by the Division as of December 14, 1998 also assigned a rating of "Outstanding".

Description of Assessment Area

Dean Cooperative Bank defines its assessment area as the towns of Bellingham, Blackstone, and Franklin. The towns of Bellingham and Franklin area within the Boston MA-NH Metropolitan Statistical Area (MSA) while the town of Blackstone lies within the Worcester MSA.

According to 1990 US Census Data, Dean Cooperative Bank's assessment area has a total population of 44,995 individuals and a total of 15,844 housing units. Housing stock within the assessment area is primarily one-to-four family residential dwellings (88.1%), of which a majority (73.7%) is owner-occupied. There are 15,261 households in the assessment area. A household is defined as all persons occupying a housing unit.

Census tracts are defined as either low, moderate, middle or upper-income based on median Family Household Income (FHI) within the census tract. The assessment area consists of 8 census tracts: 1 (12.5 percent) low-income, 6 (75.0 percent) middle-income, and 1 (12.5 percent) upper-income. The low-income census tract is located in

the town of Bellingham. However, this census tract is comprised of a power plant and contains only five housing units, and therefore very limited lending opportunities exist.

The median home value of the assessment area is \$154,665 based on 1990 US Census Data. A more recent figure was obtained using figures from the February 2, 2004 Bankers & Tradesman publication using sales statistics through December 2003. According to this publication, the median selling price for a home in the assessment area was \$260,000. Prices in the assessment area ranged from a low of \$248,500 in the town of Blackstone to a high of \$366,500 in the town of Franklin.

Please refer to table two regarding other housing characteristics.

<i>Selected Housing Characteristics by Income Category of the Geography</i>						
<i>Geographic Income Category</i>	<i>Percentage</i>					
	<i>Census Tracts</i>	<i>House holds</i>	<i>Housing Units</i>	<i>Owner-Occupied</i>	<i>Rental Units</i>	<i>Vacant Units</i>
<i>Low</i>	12.5%	0.1%	0.1%	0.0%	0.1%	0.0%
<i>Moderate</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Middle</i>	75.0%	92.3%	92.7%	91.0%	97.7%	96.2%
<i>Upper</i>	12.5%	7.6%	7.2%	9.0%	2.2%	3.8%
<i>NA</i>	0.0 %	-	-	-	-	-
<i>Total or Median</i>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: U.S. Census

The median family incomes for the Boston MSA for 2002 and 2003 are \$74,200 and \$80,800, respectively. The median family income for the Worcester MSA for 2002 and 2003 are \$58,400 and \$68,000, respectively. The income figures are based on estimated Department of Housing and Urban Development (HUD) information.

Change in Demographics-2000 Census Information

In 2003, the US Census Bureau released its revised demographics based upon 2000 census data. The following table reflects both the 1990 and 2000 census data of Dean Cooperative Bank's assessment area by census tract income groupings. In addition, the percentage change in the number of census tracts by income grouping is also reflected.

Change in Assessment Area Demographics					
Census Tracts	1990 Census Data		2000 Census Data		% Change in Number of Census Tracts
	#	%	#	%	
Low	1	12.5	0	0.0	100.0
Moderate	0	0.0	0	0.0	0.0
Middle	6	75.0	5	71.4	-16.7
Upper	1	12.5	2	28.6	100.0
NA	0	0.0	0	0.0	0.0
Total	8	100.0	7	100.0	-12.5

Source: PCI Services, Inc., CRA Wiz Software.

According to 2000 census data, in Dean Cooperative Bank's assessment area, there are 19,300 housing units within the assessment area, of which 78.7 percent are owner-occupied, 19.5 percent are rental occupied units and 1.8 percent are vacant housing units. One to four family properties comprise 90.2 percent of the total housing units. There are 15,261 households in the assessment area. The assessment area's unemployment rate has gradually increased to 4.6 percent, however, it remains lower than the state unemployment rate currently at 5.3 percent and the national rate at 5.4 percent.

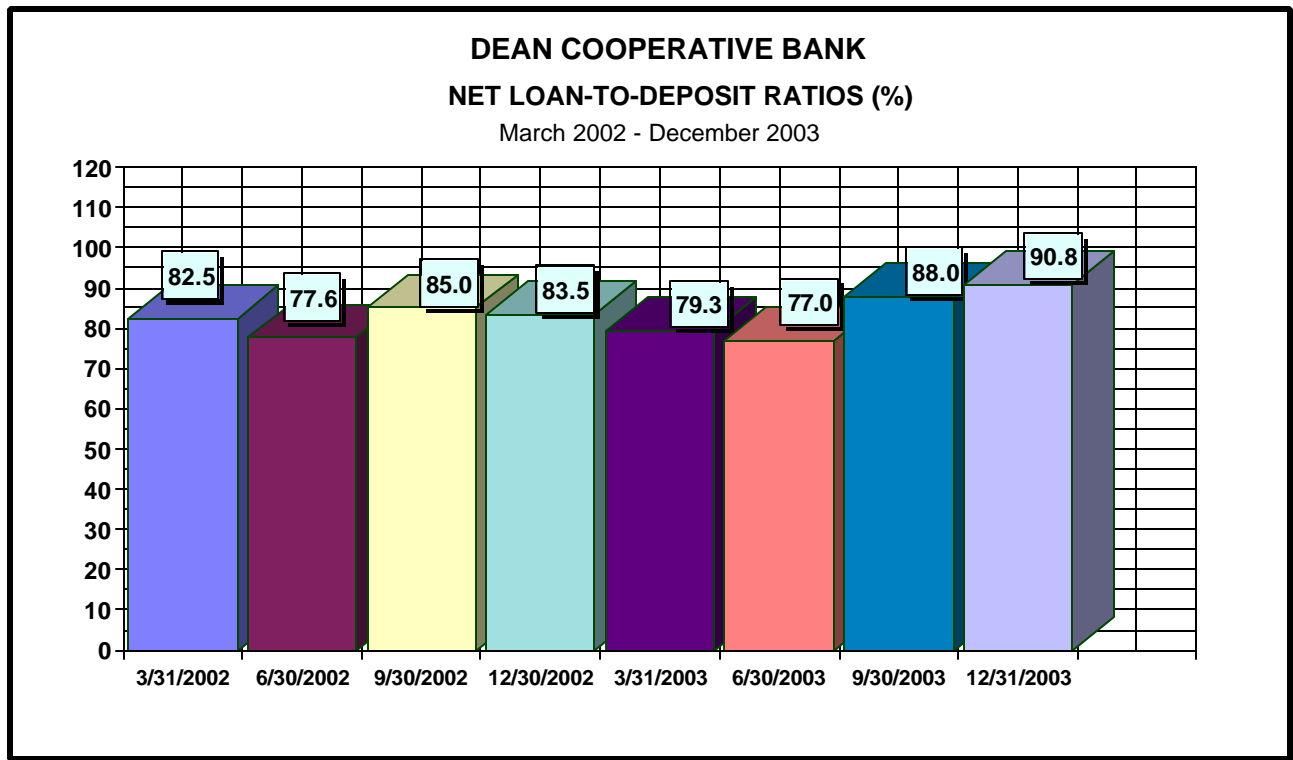
The town of Franklin is a suburban industrial community on the watershed between the Charles and Blackstone Rivers, 22 miles southwest of Boston. It is a residential town in the southwestern suburbs of Boston with easy access to Route 495. It is predominantly a single-family home community with a handful of apartments and condominiums. In recent years, commercial development along the interstate highway has proved to be beneficial to the local business community and local residents. Commuter trains have also made the area a desirable residential community. As a result of these factors, the assessment area has shown a substantial increase in home construction.

PERFORMANCE CRITERIA

1. LOAN TO DEPOSIT ANALYSIS

An analysis of Dean Cooperative Bank's net loan to deposit ratio was performed during the examination. The calculation incorporated eight quarters of the bank's net loan to total deposit figures utilizing the FDIC quarterly call reports. This review included the quarters ending March 31, 2002, through December 31, 2003.

The bank's average loan to deposit ratio during the period under examination was determined to be 83.0%. The ratio has fluctuated from a low of 77.0% on June 30, 2003 to a high of 90.8% on December 31, 2003. The increase in the ratio for the period of June 30, 2003 to September 30, 2003 can be attributed to a 19.8% growth in loans and a 3.3% growth in deposits. At the previous Division examination on December 14, 1998, the average net loan-to-deposit ratio was 85.0 percent. The asset size of the institution has increased from \$97 million as of September 30, 1998, to \$169 million as of December 31, 2003, which represents a 74.9 percent increase. The following graph depicts the net loan-to-deposit ratio for each quarter under review.



Dean Cooperative Bank's net loan to deposit ratio was compared to the ratios of other area institutions. The ratios used were as of December 31, 2003. These percentages range from a low of 58.5 percent to a high of 90.8 percent. Please refer to the following table for more details.

INSTITUTION	<u>NET LOAN-TO-DEPOSIT RATIO</u>
Dean Cooperative Bank	90.8%
Wellesley Cooperative Bank	79.3%
Reading Cooperative Bank	76.9%
Medway Cooperative Bank	76.5%
Mechanics' Cooperative Bank	58.5%

These institutions varied in asset size from \$115 million for Medway Cooperative Bank to \$169 million for Dean Cooperative Bank to \$192 million for Reading Cooperative Bank.

In conclusion, based on the above information and Dean Cooperative Bank's capacity to lend, the strong market competition from other institutions in the assessment area, demographic and economic factors present in the assessment area, and the lending opportunities available in the assessment area, the bank's loan to deposit ratio exceed the standards for satisfactory performance.

2. COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE OF THE ASSESSMENT AREA(S)

Dean Cooperative Bank's 2002, and 2003 HMDA Loan Application Registers (LARs) were reviewed to determine the amount of credit extended within the bank's assessment area. During this period, the bank originated and purchased 1,023 HMDA-reportable loans totaling approximately \$180,041,000. Of these, 668 loans or 65.3 percent of the number totaling \$114,996,000 or 63.9 percent of the dollar value of all loans were originated in the bank's assessment area.

Franklin accounted for the largest percentage of originations by number with 45.3 percent, followed by Bellingham and Blackstone with 10.0 percent each. Franklin also accounted for the largest dollar volume of originations with 47.8 percent, followed by Blackstone with 8.1 percent.

The following table provides the bank's HMDA-reportable lending by number and dollar amount.

Distribution of Home Mortgage Loans Inside and Outside of the Assessment Area								
Year	Inside				Outside			
	Number of Loans		Dollar in Loans (000s)		Number of Loans		Dollars in Loans (000s)	
	#	%	\$	%	#	%	\$	%
2002	273	65.5%	46,122	64.5%	144	34.5%	25,401	35.5%
2003	395	65.2%	68,874	63.5%	211	34.8%	39,644	36.5%
Total	668	65.3%	114,996	63.9%	355	34.7%	65,045	36.1%

Source: HMDA/LAR, CRA Wiz

The October 1, 2003 Bankers and Tradesman report revealed that Dean Cooperative Bank was ranked the number two mortgage lender in the Town of Franklin, the number three mortgage lender in the Town of Blackstone, and the number five mortgage lender in the Town of Bellingham based on the dollar volume of mortgages. Based on the above analysis, it is evident that the bank originated the majority of its loans to borrowers within the assessment area and is a major loan originator in the communities it serves. In addition, the bank had a high volume of lending during this time period. Therefore, the overall percentage of lending inside the assessment area, for residential loans is considered to exceed the standards for satisfactory performance.

3. DISTRIBUTION OF CREDIT AMONG BORROWERS OF DIFFERENT INCOME LEVELS

The bank's residential loans were further analyzed to determine the distribution of lending by borrower income level. The borrowers' reported incomes were compared to the median family incomes for the Boston MA-NH and Worcester MSA. The Boston MA-NH MSA median FHI was \$74,200 for 2002 and \$80,800 for 2003. The Worcester

MSA median FHI was \$58,400 for 2002 and \$68,000 for 2003. These income figures are based on estimated HUD information.

Low-income is defined by the US Census Bureau as income below 50 percent of the median family income level for the MSA. Moderate-income is defined as income between 50 percent and 79 percent of the median family income level for the MSA. Middle-income is defined as income between 80 percent and 119 percent of the median income. Upper-income is defined as income equal to or greater than 120 percent of the median income.

The following table shows, by number, HMDA-reportable loans to low, moderate, middle and upper-income borrowers in comparison to the percentage of households according to 1990 and 2000 census information within the assessment area in each respective income group.

Distribution of HMDA Loans by Borrower Income								
Median Family Income Level	1990 Census % Total House holds	2002		2000 Census % Total Households	2003		Total	
		#	%		#	%	#	%
Low	16.4%	21	7.7%	16.6%	42	10.6%	63	9.4%
Moderate	14.0%	44	16.1%	14.3%	96	24.3%	140	21.0%
Middle	21.8%	82	30.0%	19.7%	120	30.4%	202	30.2%
Upper	47.8%	109	40.0%	49.4%	128	32.4%	237	35.5%
NA	-	17	6.2%	-	9	2.3%	26	3.9%
Total	100.0%	273	100.0%	100.0%	395	100.0%	668	100.0%

Source: U.S. Census, HMDA LAR

During the examination period, the bank extended 63 loans to low-income borrowers representing 9.4 percent by number and 6.5 percent by dollar amount of the total loans within the assessment area. This falls below the 16.4 (1990) and 16.6 (2000) percent of low-income households within the assessment area. However, mitigating factors include the large number of people collecting social security (20.0%), retired individuals (13.5%) and the high cost of home ownership in the assessment areas which makes home ownership virtually impossible for many households in this income category.

The table further indicates that the bank extended 140 loans to moderate-income borrowers, representing 21.0 percent by number and 16.8 percent by dollar amount of the total loans within the assessment area. The bank's lending to moderate-income borrowers exceeded the percentage of moderate-income households from both the 1990 and 2000 census data.

The distribution of the bank's loans among various borrower income levels was compared to that of all other HMDA-reporters in the assessment area and to the percentage of total households. The most recent data available for this analysis relates to calendar year 2002 and is presented in the following table

Distribution of HMDA Reportable Loans Dean Cooperative Bank Compared to All Other Reporters								
Borrower Income Level	Number of Loans				Dollar Amount of Loans			
	Dean Cooperative Bank		All Other Reporters		Dean Cooperative Bank		All Other Reporters	
	#	%	#	%	\$(000)	%	\$(000)	%
Low	21	7.7%	318	4.5%	2,070	4.5%	34,552	2.7%
Moderate	44	16.1%	1,216	17.2%	6,018	13.1%	171,982	13.6%
Middle	82	30.0%	2,037	28.9%	13,206	28.6%	340,400	27.0%
Upper	109	40.0%	2,544	36.0%	21,576	46.8%	536,043	42.4%
NA	17	6.2%	945	13.4%	3,252	7.0%	179,983	14.3%
Total	273	100.0%	7,060	100.0%	46,122	100.0%	1,262,960	100.0%

Source: HMDA Aggregate Data

As shown above, the bank's percentage of lending to low-income borrowers is above the aggregate by number and dollar amount for 2002. The bank originated 7.7 percent by number and 4.5 percent by dollar amount of the total loans within the assessment area to low-income borrowers, compared to the aggregate with 4.5 percent by number and 2.7 percent by dollar amount.

Dean Cooperative Bank's HMDA-reportable loans within the assessment area, to moderate-income borrowers accounted for 16.1 percent by number and 13.1 percent by dollar amount. Both number and dollar amount are slightly below the aggregate.

4. GEOGRAPHIC DISTRIBUTION OF LOANS

HMDA-reportable loans located within the bank's assessment area were further analyzed to determine location by census tract income level. The assessment area is comprised of 8 census tracts: 1 or 12.5 percent as low-income; 6 or 75.0 percent as middle-income and 1 or 12.5 percent as upper-income. The one low-income census tract located in Bellingham has extremely limited lending opportunities. Therefore, a limited analysis was performed in this area as well.

The following table provides a breakdown, by number, of the bank's HMDA-reportable loans within its assessment area according to census tract income level. The table also shows the number of loans in comparison to the number of owner-occupied housing units using 1990 and 2000 census data in each census tract income category.

Distribution of HMDA Loans by Income Category of the Census Tract								
Census Tract Income Level	1990 Census % Total Owner-Occupied Housing Units	2002		2000 Census % Total Owner-Occupied Housing Units	2003		Total	
		#	%		#	%	#	%
Low	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%
Moderate	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%
Middle	91.0%	231	84.6%	72.7%	296	74.9%	527	78.9%
Upper	9.0%	42	15.4%	27.3%	99	25.1%	141	21.1%
NA	-	0	0.0%	-	0	0.0%	0	0.0%
Total	100.0%	273	100.0%	100.0%	395	100.0%	668	100.0%

Source: U.S. Census, HMDA\LAR

As shown in the above table, 78.9 percent of the bank's total loans were within middle-income census tracts which is expected since the majority of the bank's census tracts are middle-income and 21.1 percent are within upper-income census tracts. These numbers indicate that the activity in these census tracts is proportionate to the percentage of owner-occupied housing units in the assessment area.

Dean Cooperative Bank has made a reasonable dispersion of loans within its assessment area. Based on the analysis of the geographic distribution of loans, the bank meets the standards of satisfactory performance in generating loans from all segments of its assessment area.

5. FAIR LENDING POLICES AND PRACTICES

A review of the bank's public comment file indicated that the bank received no complaints pertaining to the institution's CRA performance since the previous examination. In addition, a review of the bank's residential loan application files was conducted to check for fair lending issues. There were no discriminatory practices evident in the file review.

The bank's fair lending policy and procedures are comprehensive. At least annually, all branch managers and loan personnel attend a fair lending training session. This training focuses on fair lending laws and regulations. The entire staff received training on HMDA, and CRA. This training included a review of the regulations as well as an in-depth discussion about CRA. Bank personnel have also attended recent training for the implementation to the revisions to Regulation C. The bank currently has 64 full time and 27 part time employees, several of whom speak French, Spanish, and Portuguese.

Dean Cooperative Bank offers a first-time homebuyer program for eligible participants through the FNMA Community Homebuyer's Program. This is a fixed interest rate program that allows applicants to borrow up to 97.0 percent of the property value to

purchase a home. The 30-year mortgage allows debt to income ratios of 28 to 36 percent. The 25-year mortgage allows ratios of 33 to 36 percent. In addition to the FNMA program, the bank also offers an internal first time homebuyer adjustable rate mortgage program. Under the internal program, applicants can borrow up to 97 percent of the loan with private mortgage insurance. The product is fixed for the first five years. After the fifth year, the interest rate will adjust annually or the applicant can opt to convert the loan to a fixed-interest rate loan at no additional cost. First-time homebuyers also receive the interest rate equivalent to a one-point program without paying the point. Closing costs are reduced to \$950. The bank originated 14 loans totaling \$2,436,500 in 2002 and originated 8 loans \$962,300 in 2003 under the FNMA program.

The bank also offers a flexible home improvement mortgage loan program through FNMA. This product is flexible because the amount of money the consumer may borrow is based upon the projected collateral value of the property after the improvements are made. This practice allows consumers to borrow funds to purchase or refinance a home and make necessary improvements to the property.

The bank is also an active participant in the Savings Makes Cents Program and the Save for America School Savings Program. The Save for America program has approximately 3,300 students participating in this program in the towns of Franklin, Bellingham, and Blackstone/Millville. A curriculum has been developed that teaches children how to save money. Students participating in the program learn what a savings account is, the advantages of saving, how a savings account earns interest, and how to compute interest. They will also learn how to read an account statement, and gain an understanding of other banking services.

Many of the bank's products and services can be found on local advertisements including but not limited to The Woonsocket Call, The Milford Daily News, The Country Gazette, local movie theatres, and WBZ 1030.

The bank's staff has been proactive in addressing community credit needs. Ongoing relationships are maintained with a variety of community organizations in order to determine the credit needs of the assessment area. Some of the organizations include the Community Banker's Network, YMCA, The Urban Housing Committee, and The Affordable Housing Committee. In addition, the bank has provided contributions to organizations that provide education and training, affordable housing, youth programs, and health and human services for individuals in need. The bank provided \$70,000 in qualified contributions during the examination period. This amount includes the sale of a home that was owned by the bank but was constructed by the students at Tri-County Regional Vocational High School. The sale's proceeds (\$50,000) were donated back to the school in the form of scholarships. The bank has also committed \$255,275 to an agency that provides housing to low and moderate-income individuals. The proceeds of the loan will be used for the installation of new windows.

The bank has an established program of taking a second look at residential real estate related applications that are slated for denial. Officers experienced in credit underwriting

review all applications slated for denial to ensure that all applicants were treated consistently.

The Board and Senior Management review the HMDA data on an annual basis and a geo-analysis is conducted. The bank's Vice President of Residential Lending reviews the HMDA/LAR quarterly to insure accuracy. The Board also reviews the bank's CRA activity on a quarterly basis, and the CRA Officer completes a quarterly report that is presented by the President at the following Board meeting.

Minority Application Flow

According to 1990 census data, Dean Cooperative Bank's assessment area contains 44,995 individuals, 970 or 2.2 percent of whom are minorities. The assessment area's minority population is 0.1 percent Native American, 0.7 percent Asian, 0.6 percent Black, 0.7 percent Hispanic and 0.1 percent Other. According to 2000 census data, the bank's assessment area contains 53,678 individuals, 2,288 or 4.3 percent of whom are minorities. The minority population according to the 2000 census is 0.1 percent Native American, 1.3 percent Asian, 0.9 percent Black, 1.1 percent Hispanic, and 0.9 percent Other.

A review of residential loan applications was conducted in order to determine the number of applications the bank received from minorities. The bank received 698 residential loan applications from within its assessment area. During this period, 12 applications or 1.7 percent were received from minorities. Of the 12 applications received, 9 or 75.0 percent resulted in originations. Refer to the following table for further details.

MINORITY APPLICATION FLOW								
RACE	Dean Cooperative Bank 2002		2002 Aggregate Data		Dean Cooperative Bank 2003		Dean Cooperative Bank TOTAL	
	#	%	#	%	#	%	#	%
<i>Native American</i>	0	0.0	21	0.2	0	0.0	0	0.0
<i>Asian</i>	1	0.4	85	0.9	2	0.5	3	0.4
<i>Black</i>	1	0.4	35	0.4	1	0.2	2	0.3
<i>Hispanic</i>	0	0.0	34	0.4	1	0.2	1	0.1
<i>Joint Race</i>	2	0.6	103	1.1	2	0.5	4	0.6
<i>Other</i>	1	0.4	99	1.1	1	0.2	2	0.3
Total Minority	5	1.8	377	4.1	7	1.6	12	1.7
<i>White</i>	281	98.2	5,632	61.6	404	98.2	685	98.2
<i>NA</i>	0	0.0	3,134	34.3	1	0.2	1	0.1
Total	286	100.0	9,143	100.0	412	100.0	698	100.0

*Source: CRA Wiz Software.

The bank's minority application flow for this review period was compared with the racial make-up of the assessment area. In addition, the application flow was compared to the 2000 aggregate data for all other HMDA reporters within the assessment area. The comparison of this data assists in deriving reasonable expectations for the institution's application flow.

The bank's minority application flow is below the racial composition of its assessment area according to both the 1990 and 2000 census data. In addition, Dean Cooperative Bank's minority application flow when compared to the other lenders within the assessment area is below the 2000 aggregate information.

THE COMMONWEALTH OF MASSACHUSETTS

To the COMMISSIONER OF BANKS:

THIS IS TO CERTIFY, that the report of examination of the

DEAN COOPERATIVE BANK

for compliance with applicable consumer and fair lending rules and regulations and the Community Reinvestment Act (CRA), as of the close of business **JANUARY 26, 2004**, has been read to or by the undersigned and the matters referred to therein will have our immediate attention.

_____	_____
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A majority of the Board of Directors/Trustees

Dated at _____ this _____ day of _____ 20 ____

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at 81 Main St. Medway, MA.

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing.

The format and content of the institution's evaluation, as prepared by its supervisory agency, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.